

MOTION BY SUPERVISOR DON KNABE

September 25, 2007

The recently discovered \$32 million budget hole in the Department of Children and Family Services (DCFS) budget is clearly a setback, from both a programmatic and a financial standpoint. The fact that this unanticipated gap was attributed to both the failure of County budget staff to factor in the cost of additional staff that our Board approved for the Department in the past several years, and that staff had knowingly prepared an 07-08 budget that overstated the amount of revenue DCFS would be receiving – is beyond explanation.

These recent developments have only further exacerbated concerns I have raised on numerous occasions that we are pouring County funds into DCFS at a rate that far exceeds any match we are required to provide, to cover the significant number of additional staff the Department requested over the past two budget cycles and now to cover the significant expansion of services required under the Katie A settlement as well. I will also venture to say that we can expect to see additional cost increases to the County due to our participation in the Title IVE waiver.

I am deeply concerned that we are only at the beginning of a cycle of increasing costs and diminishing revenue, and I would like a full scope review of all of the issues that will impact our decision making in the 2008-09 budget and beyond.

MOTION

MOLINA	_____
BURKE	_____
KNABE	_____
ANTONOVICH	_____
YAROSLAVSKY	_____

I THERFORE MOVE that the Chief Executive Officer report back in January mid-year budget adjustments on the following:

- All additional anticipated costs to the County general fund for child welfare in 2008-09, including additional costs as a result of the Title IVE waiver.
- A robust review of everything that can be done to significantly offset the \$28 million we are paying out this year for the Katie A plan, as well as any other costs to the County general fund over our matching obligations.
- A written analysis that explores ways of and the potential impact of reducing the current overmatch to the DCFS budget.

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